



# Fact Sheet

DPC Staff Contact: Lauren Griffin PHONE (202) 224-3232 • FAX (202) 228-3432

January 23, 1997

## **S. 71, the *Paycheck Fairness Act***

Fair pay is a priority for Democrats in the 105th Congress. Democrats included a fair pay proposal in the Democrats' Families First Agenda, and have introduced **S. 71**, the *Paycheck Fairness Act* as a top priority for the 105th Congress. Women play a major role in the workforce and Democrats want to ensure that their paychecks fairly compensate their work.

### ***The Democratic Leadership Initiative***

The *Paycheck Fairness Act* addresses the glaring inequities between men's and women's earnings by:

- beefing up enforcement of the *Equal Pay Act* by directing more resources to the Equal Employment Opportunity Commission (EEOC);
- strengthening the remedy provisions of the *Equal Pay Act* by allowing compensatory and punitive damages when appropriate and making it easier for cases to proceed as class actions;
- improving data collection, education, and outreach about pay differentials between men's and women's occupations;
- recognizing the achievements of employers who have worked to eliminate unfair pay differentials in the workplace; and,
- lifting the gag rule imposed by many employers who forbid employees from discussing their wages with their co-workers.

Democratic Policy Committee  
United States Senate  
Washington, D.C., 20510-7050

Tom Daschle, Chairman  
Harry Reid, Co-Chairman



## ***The Need for Action***

Today, 60 million women are in the workforce and at every level of the workplace (U.S. Department of Labor), and yet they still earn only 71 cents to a man's dollar (Bureau of U.S. Census). In 1963, the *Equal Pay Act* was enacted to prohibit employers from paying women lower wages than men for the same job. Yet, despite the legal prohibitions against wage discrimination, substantial pay disparities still exist.

- Women of color experience the most severe pay inequities: Black women earned only 64 cents, Hispanic women only 53 cents, and white women 71 cents for each dollar a white man earned. (Bureau of U.S. Census)
- The average woman loses approximately \$420,000 over a lifetime because of unequal pay practices. (Bureau of U.S. Census)
- Lower lifetime earnings translate into lower pensions and incomes for women in their senior years, and contribute to a higher poverty rate for elderly women. (Bureau of U.S. Census)

In today's rapidly changing economy, families increasingly need two earners just to make ends meet. More and more families are finding that if women were truly paid what they were worth, the entire family would be better off.

- 18 million families, or 72 percent of all married couples with children, are supported by both a working mother and father. (National Committee on Pay Equity, 1996)
- There are seven times as many women raising families alone than there are men raising families by themselves. (National Committee on Pay Equity, 1996)
- Less than 15 percent (14.6 percent) of all U.S. families with children fit the traditional model of a breadwinner father and a homemaker mother. (National Committee on Pay Equity, 1996)

College educations help women and people of color improve earnings, but do not narrow the pay gap.

- College-educated women earn \$14,217 less annually than college-educated white men. (Bureau of U.S. Census)
- College-educated Black women earn \$2,558 less annually than white male high school graduates. (Bureau of U.S. Census)
- College-educated Black and Hispanic women earn \$17,549 and \$14,779 less respectively, than their white male colleagues. (Bureau of U.S. Census)
- Even among recent college graduates, women earn 15.7 percent less than men. (Bureau of U.S. Census)

The Equal Employment Opportunity Commission (EEOC) enforces the *Equal Pay Act of 1963* which prohibits wage discrimination on the basis of sex. Despite an increase in enforcement responsibilities over the years, EEOC's resources have diminished.

- In FY 1980, EEOC was staffed 3,390 full time employees. By FY 1995, the level had fallen to 2,785—a decrease of 605 full-time employees. During this time, the EEOC was given the added responsibility of enforcing the *American with Disabilities Act*. (EEOC)
- Today, the EEOC's backlog of cases stands at 97,360. (EEOC)
- Only one to two percent of all claims received by the EEOC allege sex-based wage discrimination under the *Equal Pay Act*. This small number may be explained by a lack of public knowledge about fair pay laws as well as by the weakness of the remedies under the *Equal Pay Act*. (EEOC)